MONTHLY REVIEW

Of Industrial and Financial Conditions in the New England District

FEDERAL RESERVE BANK OF BOSTON

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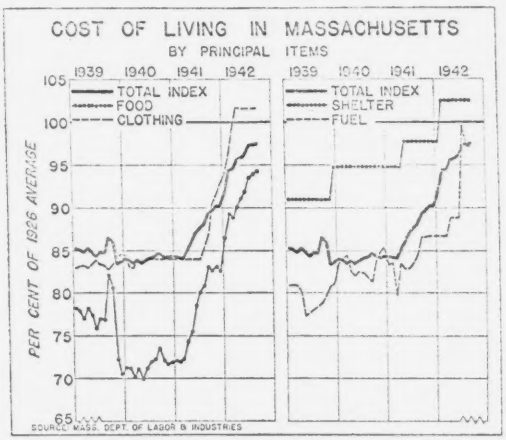
THE SITUATION

In New England during September general business activity was maintained at approximately the same level as that which prevailed during August, after allowances had been made for customary seasonal changes. A few activities showed increases between August and September of less than the usual seasonal amount but there was a large gain in the value of construction contracts awarded in this district. The trend toward total war production continued in September, evidenced by the report of the Massachusetts Department of Labor and Industries, which showed 53.0 per cent of wage-earners employed in manufacturing establishments in Massachusetts during September were employed wholly on war production, as compared with 51.0 per cent in August and 48.3 per cent in July.



The total number of wage-earners employed in manufacturing establishments in Massachusetts during September was 495,182, an increase of 0.6 per cent over the number employed in August and 3.8 per cent higher than in September a year ago. The amount of aggregate weekly payrolls for all manufacturing establishments during September was 2.8 per cent higher than in August and 27.6 per cent higher than in September last year.

In Rhode Island the number of wage-earners employed in manufacturing establishments during September was 0.3 per cent less than was reported for August, according to the State Department of Labor, and was 4.3 per cent under that reported for September, 1941. Aggregate weekly payrolls in manufacturing establishments in Rhode Island during September were 0.1 per cent smaller than in August but exceeded September a year ago by 12.3 per cent.

The value of total construction contracts awarded in New England during September was $41,756,000, exceeding the August total by 143.6 per cent and larger than in September last year by 14.8 per cent. During the first nine months of the current year total construction contracts awarded in this district were $349,645,000, exceeding the corresponding total last year by 5.0 per cent.

During September production of boots and shoes in New England is estimated to have been 12,369,000 pairs, a total 5.7 per cent less than in August and 16.5 per cent below September, 1941. During the first three quarters of the current year boot and shoe production in this district is estimated to have been 128,204,000 pairs, a decline of 5.7 per cent below the corresponding period last year.

The amount of raw cotton consumed by mills in New England was 103,186 bales during September, exceeding the August total by 6.3 per cent and larger than in September last year by 2.0 per cent. The amount consumed during the first nine months of the current year was 985,659 bales and exceeded the corresponding period in 1941 by 5.5 per cent.

In this district total revenue freight carloadings during the four-week period ending October 10 were 81,919, a decrease of 27.9 per cent below the corresponding period a year ago. The number of carloadings reported for the first 41 weeks of the current year was 955,058, a total 12.9 per cent below that of the corresponding period a year ago.

The sales volume of 119 department stores and apparel shops in New England during September was 4.5 per cent higher than the total reported by these same concerns for September, 1941. The sales value for the first nine months of the current year was 9.7 per cent higher than during the corresponding period a year ago.

MONEY AND BANKING

Money Market:—Money rates in the Boston money market on October 21 were essentially the same as on the corresponding date a month ago. Open market commercial paper of four to six months' maturity moved at rates of ⅝ to ¾ of one per cent, — unchanged as compared with four weeks ago; however, a much larger volume of paper was moving at the ⅝ per cent rate than a month ago. Reference to the table below shows that yields on United States Treasury securities were practically unchanged.

During October the United States Treasury offered an issue of two per cent Treasury Bonds of 1950-52, dated October 19 and maturing March 15, 1952. In this district subscriptions and allotments amounted to $80,284,600. An additional issue of the June 5, 1942, Treasury Notes of Series B-1946, bearing 1½ per cent interest rate, was also offered during October, with allotments in the First Federal Reserve District amounting to $109,568,800. The usual weekly offerings of 91-day Treasury bills were made, — the amount of the October 21 series being increased from $400,000,000 to $500,000,000; the average yield on this latest issue at date of offering was .373 per cent:

MONEY RATES AT BOSTON

	1942		Year
	Oct. 21	Month Ago	Ago
Brokers' quick call loans	1¼%	1¼%	1¼%
Open market commercial paper — four to six months	⅝–¾	⅝–¾	⅝–½
Bankers' acceptances — 90 days	⅞	⅞	⅞
Treasury Securities:			
Average yield on Treasury bonds (more than five years to earliest call date)	1.83	1.81	1.60
Average yield on Treasury notes (one to five years)	.83	.84	.30
Average rate on latest Treasury bill sale: 91-day issue	.373	.370	.024
Rediscount rate (Boston)	1	1	1
Buying rate for 90-day indorsed bills (Boston)	½	½	½

Boston Member Banks:—Total deposits (adjusted to exclude items in process of collection) rose sharply by over $175,000,000 between August 5 and October 21. This expansion reflected increases primarily in demand deposits and, during recent weeks, in United States deposits. Time deposits have shown a slow but steady growth since early Spring, amounting to about $5,000,000. Balances due to domestic banks fluctuated within relatively narrow limits. Commercial loans declined steadily ($39,000,000) between August 12 and October 21 to the lowest volume since early November almost a year ago; holdings of open market paper and acceptances have fallen off ($17,000,000) since the middle of July. The volume of United States Government securities owned ($662,000,000) on October 21 was $327,000,000 higher than on April 1, — the date marking the beginning of this recent expansion.

Member Banks Outside of Boston:—As in the Boston member banks, the growth in adjusted total deposits continued during recent weeks, reflecting substantial gains both in demand deposits and in United States Government deposits, and to a much less extent in time deposits. Commercial loans on October 21 were almost $25,000,000 lower than at the April 1 high; almost as marked was the sharp decline of over $23,000,000 in holdings of commercial paper and acceptances during the same period. These decreases in commercial borrowing were more than offset by continued increases in holdings of United States Government securities, the volume of which on October 21 was $173,000,000 higher than on April 1.

Instalment Credit:—Reports received from selected member banks in this district indicated that the volume of new instalment credit loans made during September increased, reversing the downward trend, which had been in progress for some months. Nevertheless, repayments of instalment credit loans exceeded new loans made, with the result that outstanding instalment credit in the reporting member banks continued to decline. A similar upward movement during September was noticeable in the volume of small loans made by selected reporting Federal and State credit unions and industrial banking companies; however, the volume of loans made by personal finance companies declined.

Federal Reserve Bank of Boston:—Cash reserves remained substantially unchanged between September 23 and October 21, at the high level on the latter date of $1,223,000,000. United States securities owned rose sharply by some $66,000,000 during these same four weeks. Federal Reserve notes in actual circulation continued the expansion begun early in 1940; member bank reserve deposits rose $64,000,000 during the past four weeks, while United States deposits dropped $31,000,000.

Check Transactions:—Check transactions (otherwise known as debits to deposit accounts) in 17 New England cities were somewhat higher during September than in August. Daily average check transactions in each reporting New England city, except Bangor and Burlington, were higher in September than for the corresponding month a year ago.

Mutual Savings Banks:—Reports from 60 selected mutual savings banks indicated that the upward trend in savings on deposit, begun in June, continued through September. Moreover, the volume of savings on deposit was only slightly lower in September this year than a year ago. Although the total number of accounts on the banks' books increased slightly during the past two months, the number of accounts on September 30 compared rather unfavorably with a year ago.

CONDITION OF REPORTING NEW ENGLAND MEMBER BANKS
(Amounts in Millions of Dollars)

BOSTON

	1942 Oct. 21	Month Ago	Year Ago	One Year's Change Gain (+) or Loss (−)	
Deposits:					
Demand Deposits (adjusted)	$1,184	$1,126	$1,023	$+161	+ 14.6%
Balances Due to Domestic Banks	269	272	328	− 59	− 18.0%
Balances Due to Foreign Banks	22	21	19	+ 3	+ 15.8%
United States Deposits	79	21	3	+ 76	+2,533.3%
Time Deposits	82	82	81	+ 2	+ 2.5%
TOTAL DEPOSITS (adjusted)	$1,635	$1,525	$1,504	$+131	+ 13.0%
Reserves:					
Reserve with Federal Reserve Bank	299	341	407	− 8	− 2.0%
Vault Cash	42	41	134	− 92	− 68.7%
Balances with Other Domestic Banks	54	47	81	− 27	− 33.3%
TOTAL RESERVES	$ 435	$ 429	$ 622	$−127	− 20.4%
Loans and Investments:					
Commercial, Industrial and Agricultural Loans	350	361	344	+ 6	+ 1.7%
Open Market Paper	54	57	66	− 12	− 18.2%
Loans to Brokers and Dealers in Securities	12	13	15	− 3	− 20.0%
Other Loans for Purchasing or Carrying Securities	7	7	8	− 1	− 12.5%
Real Estate Loans	33	33	36	− 3	− 8.3%
Loans to Banks	1	1	4	− 3	− 75.0%
Other Loans	91	93	107	− 16	− 15.0%
TOTAL LOANS AND DISCOUNTS	$ 548	$ 565	$ 580	$− 32	− 5.5%
United States Obligations Owned	$ 662	$ 672	$ 304	$+358	+ 117.8%
Securities Guaranteed by U.S.	33	30	48	− 15	− 31.3%
Other Bonds and Stocks Owned	71	73	61	+ 10	+ 16.4%
TOTAL BONDS AND STOCKS OWNED	$ 766	$ 726	$ 413	$+353	+ 85.5%
TOTAL LOANS AND INVESTMENTS	$1,314	$1,291	$ 993	$+321	+ 32.3%

FIVE CITIES OUTSIDE OF BOSTON

Deposits:					
Demand Deposits (adjusted)	$ 634	$ 609	$ 520	$+114	+ 21.9%
Balances Due to Domestic Banks	40	44	45	− 5	− 11.1%
Balances Due to Foreign Banks	*	*	*	.....	.....
United States Deposits	27	12	6	+ 21	+ 350.0%
Time Deposits	150	149	155	− 5	− 3.2%
TOTAL DEPOSITS (adjusted)	$ 851	$ 814	$ 726	$+125	+ 17.2%
Reserves:					
Reserve with Federal Reserve Bank	124	115	123	+ 1	+ .8%
Vault Cash	26	25	22	+ 4	+ 18.2%
Balances with Other Domestic Banks	92	92	123	− 31	− 25.2%
TOTAL RESERVES	$ 242	$ 232	$ 268	$− 26	− 9.7%
Loans and Investments:					
Commercial, Industrial and Agricultural Loans	60	64	85	− 25	− 29.4%
Open Market Paper	25	28	33	− 8	− 24.2%
Loans to Brokers and Dealers in Securities	1	1	1	0	0
Other Loans for Purchasing or Carrying Securities	7	6	8	− 1	− 12.5%
Real Estate Loans	44	44	46	− 2	− 4.3%
Loans to Banks	0	*	*	.....	.....
Other Loans	43	45	51	− 8	− 15.7%
TOTAL LOANS AND DISCOUNTS	$ 180	$ 188	$ 224	$− 44	− 19.6%
United States Obligations Owned	$ 409	$ 372	$ 207	$+202	+ 97.6%
Securities Guaranteed by U.S.	19	20	23	− 4	− 17.4%
Other Bonds and Stocks Owned	62	63	63	− 1	− 1.6%
TOTAL BONDS AND STOCKS OWNED	$ 490	$ 455	$ 293	$+197	+ 67.2%
TOTAL LOANS AND INVESTMENTS	$ 670	$ 643	$ 517	$+153	+ 29.6%

*Indicates less than $500,000.

CONDITION OF FEDERAL RESERVE BANK OF BOSTON
(Amounts in Millions of Dollars)

Member Bank Reserve Deposits	$ 682	$ 618	$ 666	$+ 16	+ 2.4%
U.S. Deposits	24	55	96	− 72	− 75.0%
All Other Deposits	28	26	59	− 31	− 52.5%
TOTAL DEPOSITS	$ 734	$ 699	$ 821	$− 87	− 10.6%
Federal Reserve Notes in Actual Circulation	804	776	611	+193	+ 31.6%
Total Cash Reserves	1,223	1,228	1,272	− 49	− 3.9%
Loans to Member Banks	0	1	*	.....	.....
Acceptances Bought in Open Market	0	0	0	0	0
Industrial Advances	*	*	2	− 2	.....
United States Obligations	307	242	169	+138	+ 81.7%
TOTAL BILLS AND SECURITIES	$ 307	$ 243	$ 171	$+136	+ 79.5%
Commitments to Make Industrial Advances	*	*	1	− 1	.....

*Indicates less than $500,000.

CHECK TRANSACTIONS
(Monthly Totals in Millions of Dollars)

	1942 Sept.	Month Ago	Year Ago	One Year's Change Gain (+) or Loss (−)	
Bangor	$ 18.6	$ 18.6	$ 20.4	$− 1.8	− 8.8%
Brockton	22.1	22.2	21.8	+ .3	+ 1.4%
Burlington	12.3	11.8	14.2	− 1.9	− 13.4%
Fall River	27.7	24.8	23.2	+ 2.5	+ 10.8%
Hartford	342.2	344.1	267.1	+ 75.1	+ 28.1%
Holyoke	17.8	16.2	16.0	+ 1.8	+ 11.3%
Lowell	19.6	18.2	16.8	+ 2.8	+ 16.7%
Lynn	24.0	23.2	22.8	+ 1.8	+ 7.9%
Manchester	21.2	20.9	20.5	+ .7	+ 3.4%
New Bedford	30.1	27.2	27.8	+ 2.6	+ 10.9%
New Haven	101.4	96.1	98.3	+ 3.1	+ 3.2%
Portland	$ 79.8	$ 85.0	$ 48.0	$+ 31.8	+ 66.3%
Providence	257.8	227.7	208.7	+ 49.1	+ 23.5%
Springfield	105.6	108.7	79.7	+ 25.9	+ 32.5%
Waterbury	43.5	42.7	38.4	+ 5.1	+ 13.3%
Worcester	84.6	77.0	73.3	+ 11.3	+ 15.4%
Total 15 Cities	$1,203.2	$1,164.4	$ 993.0	$+210.2	+ 21.2%
Boston	1,578.2	1,486.6	1,352.6	+225.6	+ 16.7%
GRAND TOTAL 17 Cities	$2,781.4	$2,651.0	$2,345.6	$+435.8	+ 18.6%

NEW ENGLAND INDUSTRIAL CONDITIONS

Carloadings:—During the four-week period ending October 10 total revenue freight carloadings originating on the six New England railroads, exclusive of the Boston and Albany, which reports under the New York Central Lines, were 81,919, an amount 27.9 per cent under the total of 113,623 reported for the corresponding four-week period last year.

In this district there was a total of 955,058 carloadings reported for the cumulative 41-week period ending October 10, as compared with a total of 1,096,106 for the corresponding period in 1941, a decline of 12.9 per cent:

TOTAL REVENUE FREIGHT LOADED — SIX NEW ENGLAND RAILROADS EXCLUSIVE OF BOSTON AND ALBANY
(Number of Cars)

Week Ending:	1942	1941	Per Cent Change 1942 compared with 1941
September 19	19,663	28,465	−30.9%
September 26	20,093	28,190	−28.7
October 3	20,828	28,703	−27.4
October 10	21,335	28,265	−24.5

MERCHANDISE, L.C.L., FREIGHT LOADED
SIX NEW ENGLAND RAILROADS
(Number of Cars)

Week Ending:	1942	1941	Per Cent Change 1942 compared with 1941
September 19	7,778	13,281	−41.4%
September 26	7,985	13,295	−39.9
October 3	8,346	13,593	−38.6
October 10	8,383	13,668	−38.7

MISCELLANEOUS FREIGHT LOADED
SIX NEW ENGLAND RAILROADS
(Number of Cars)

Week Ending:	1942	1941	Per Cent Change 1942 compared with 1941
September 19	8,831	12,016	−26.5%
September 26	9,051	11,847	−23.6
October 3	9,563	11,800	−19.0
October 10	9,803	11,353	−13.9

ALL OTHER CLASSES OF FREIGHT LOADED
SIX NEW ENGLAND RAILROADS
(Number of Cars)

Week Ending:	1942	1941	Per Cent Change 1942 compared with 1941
September 19	3,054	3,168	− 3.6%
September 26	3,057	3,048	+ 0.3
October 3	2,919	3,310	−11.8
October 10	3,089	3,144	− 1.7

Cotton Consumption:—The amount of raw cotton consumed by mills in New England during September was 103,186 bales, a gain of 6.3 per cent over the total of 97,033 bales reported for August and 2.0 per cent larger than the September, 1941, total of 101,195 bales.

During the first three quarters of the current year cotton consumption in this district was 985,659 bales, a total 5.5 per cent larger than was reported for the corresponding period in 1941:

COTTON CONSUMPTION — NEW ENGLAND — BY STATES
(Number of Bales)

STATE	First Nine Months 1942	1941	Per Cent Change
Connecticut	70,273	68,581	+ 2.5%
Maine	159,292	151,208	+ 5.3
Massachusetts	522,441	494,757	+ 5.6
New Hampshire	129,852	105,650	+22.9
Rhode Island	109,958	109,235	+ 0.6
Vermont	2,933	3,067	− 4.4
Total	985,659	932,878	+ 5.5%

Boots and Shoes:—Production of boots and shoes in New England during September is estimated to have been 12,369,000 pairs. This was a decrease of 5.7 per cent below the August total and 16.5 per cent under that reported during September a year ago.

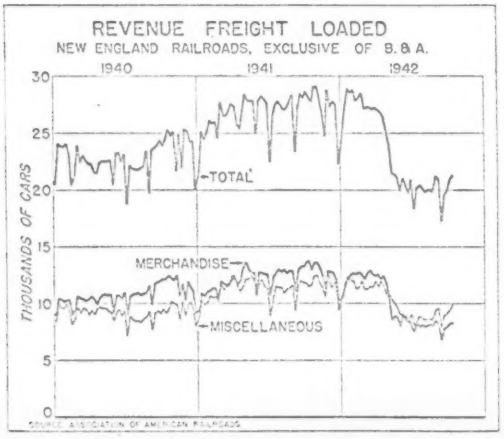
The cumulative total for the first nine months of the current year in New England is estimated to have been 128,204,000 pairs, as compared with a total of 135,944,000 pairs produced during the corresponding period last year, a decrease of 5.7 per cent:

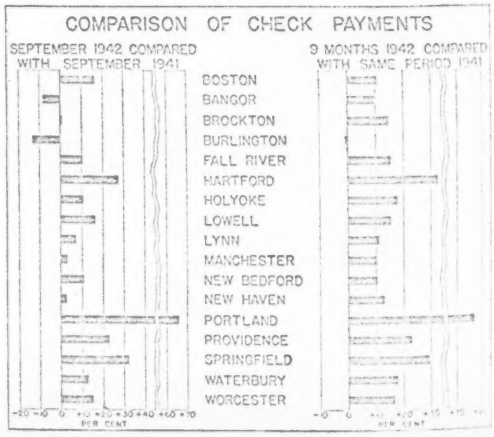
SHOE PRODUCTION — FIRST NINE MONTHS
NEW ENGLAND AND UNITED STATES
(In Thousands of Pairs)

January-September, inclusive	New England	United States	Proportion of New England to United States
1937	121,452	339,254	35.80%
1938	112,139	295,092	37.99
1939	118,875	326,044	36.46
1940	109,831	304,967	36.01
1941	135,044	379,432	35.83
1942	128,204*	368,699*	34.83*
6-year average	121,074	335,576	36.08%

*Estimated.

Building:—In New England during September the value of total construction contracts awarded





was reported by the F. W. Dodge Corporation as $41,750,000, an increase of 143.6 per cent over the August total of $17,142,000. Public works contracts declined 24.2 per cent but there were increases of more than 140 per cent in each of the other three major classifications.

During September, as compared with that month a year ago, total construction contracts awarded in this district were 14.5 per cent higher, with sizable percentage increases in the major classifications except public works.

In this district during the first three quarters of the current year total construction contracts awarded were $349,645,000, an amount 5.0 per cent larger than the total of $333,137,000 reported for the corresponding period a year ago. The only major classification in which a decline was reported for the cumulative period was that of residential building contracts, which declined 24.6 per cent:

CONTRACTS BY CLASSES — NEW ENGLAND TERRITORY

CLASSIFICATIONS	First Nine Months 1942 Valuation	1941 Valuation	Per Cent Change
Commercial Buildings	$ 11,500,000	$ 28,567,000	− 59.7%
Manufacturing Buildings	74,525,000	48,894,000	+ 52.4
Educational and Science	8,071,000	7,877,000	+ 2.5
Hospital and Institutional	5,197,000	9,879,000	− 47.4
Public Buildings	3,750,000	2,896,000	+ 29.5
Religious Buildings	920,000	2,951,000	− 68.8
Social and Recreational	3,250,000	3,416,000	− 4.9
Miscellaneous Non-Residential	33,753,000	10,635,000	+217.4
Total Non-Residential	$141,966,000	$115,115,000	+ 23.7%
Residential Buildings	$ 96,154,000	$127,588,000	− 24.6%
Grand Total Building	$237,420,000	$242,703,000	− 2.2%
Public Works (Public&Private)	$ 67,421,000	$ 59,699,000	+ 9.6%
Utilities (Public & Private)	46,801,000	30,735,000	+ 52.3
Grand Total Construction	$349,645,000	$333,137,000	+ 5.0%

Residential building contracts awarded during the first nine months of the current year in New England were $96,154,000, exceeding the nine-year average for the first nine months' period by 51.8 per cent, and total construction contracts awarded in this district were 77.3 per cent larger than the nine-year average:

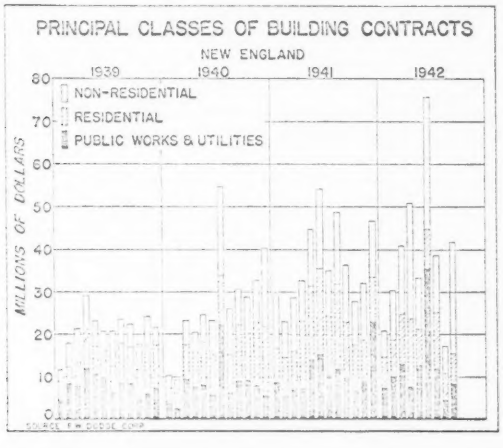
CONSTRUCTION CONTRACTS — NEW ENGLAND

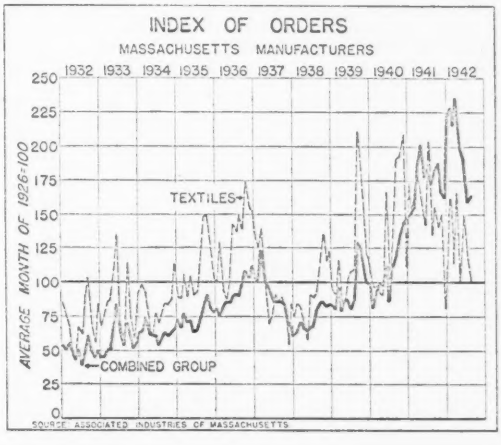
	Residential Contracts	Total Construction
January-September, inclusive, 1934	$ 24,071,000	$109,065,000
January-September, inclusive, 1935	25,926,000	94,296,000
January-September, inclusive, 1936	51,732,000	162,780,000
January-September, inclusive, 1937	58,080,000	177,791,000
January-September, inclusive, 1938	47,744,000	137,889,000
January-September, inclusive, 1939	50,506,000	191,875,000
January-September, inclusive, 1940	79,017,000	209,295,000
January-September, inclusive, 1941	127,588,000	333,137,000
January-September, inclusive, 1942	96,154,000	349,645,000
9-year average	$ 63,332,000	$197,156,000

Employment:—The total number of wage-earners employed in 2,037 representative manufacturing establishments in Massachusetts was 495,182 for the week including or ending nearest September 15, an increase of 2,996 employees, or 0.6 per cent, when compared with the number employed in these same establishments during the corresponding week in August, according to the Massachusetts Department of Labor and Industries. The amount of the weekly payrolls for all manufacturing establishments reporting was $18,609,502 for the same week in September, an increase of $514,700, or 2.8 per cent.

Of the 495,182 wage-earners employed in the 2,037 manufacturing establishments covered by the survey, 262,211, or 53.0 per cent, were reported as being employed wholly on defense production, and of the 2,037 establishments covered, 695, or 34.1 per cent, were engaged wholly or partially on war orders. The principal manufacturing industries in which wage-earners were employed on war contracts were: electrical machinery; apparatus and supplies; woolen and worsted goods; shipbuilding; foundry and machine-shop products; machine and small working tools, and cotton goods.

The records for the 17-year period 1925–1941, inclusive, show mostly increases in September, as compared with August. Employment during this





period showed an average increase of 1.9 per cent and the amount paid in wages an average increase of 2.7 per cent.

In Massachusetts between August and September the percentage changes in employment and the amount paid in wages in many of the principal industries were:

MAJOR INDUSTRIES	Number of Wage-Earners	Amount of Payrolls
Bakery products	−0.2%	+1.0%
Boots and shoes	−5.3	−6.9
Clothing, men's	−1.7	−7.9
Clothing, women's	−0.7	+0.7
Confectionery	+4.7	+9.5
Cotton goods	−0.7	+8.3
Dyeing-finishing	−2.4	−2.5
Electrical machinery:		
Excluding radio	**	**
Radio apparatus	**	**
Foundry and machine-shop products:		
Foundry products	−2.0	+3.2
Machine shops	−1.3	+1.3
Furniture	−1.4	+0.7
Hosiery-knit goods:		
Hosiery	−0.6	−4.9
Knit goods	−6.8	−4.1
Jewelry	−0.7	+3.4
Leather tanning	−0.7	−3.5
Machine and small working tools	**	**
Paper and wood pulp	−0.6	−0.7
Printing – publishing:		
Book and job	+0.4	+1.4
Newspaper	+1.9	+4.3
Silk-rayon goods	−0.4	+7.7
Textile machinery and parts	−0.5	+3.8
Woolen and worsted goods	+0.3	*

*Less than 1/10 of one per cent.

**In accordance with the request of the Federal Government, no information is given for this industry.

In manufacturing establishments in Massachusetts the number of wage-earners employed in September this year was 3.8 per cent greater than the number employed in September, 1941, and the amount paid in wages was 27.6 per cent larger. The average weekly earnings of wage-earners employed in manufacturing in September, 1942, of $37.58, again exceeded all previous records.

The percentage changes in many of the industrial cities of Massachusetts between August and September in employment and payrolls are shown in the following table:

LEADING INDUSTRIAL CITIES	Number of Establishments	Number of Wage-Earners	Amount of Payrolls
Boston	367	0.0%	+1.2%
Brockton	54	−0.6	−1.1
Cambridge	85	−0.7	+2.1
Fall River	48	−1.9	+3.5
Fitchburg	44	−1.2	−0.8
Haverhill	45	−3.1	−6.5
Holyoke	43	−6.0	−5.3
Lawrence	50	+0.6	−0.1
Lowell	63	−1.0	−0.2
Lynn	65	+2.5	+6.2
New Bedford	54	+0.4	+6.2
Peabody	18	−3.5	+1.7
Springfield	82	+2.8	+2.8
Worcester	123	+0.7	+1.4

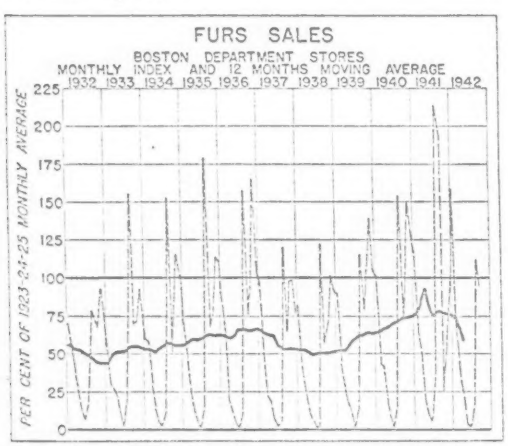
In Rhode Island during September the number of wage-earners employed in manufacturing establishments was 92,593, a decline of 0.3 per cent below the total of 92,864 reported for August and 4.3 per cent less than the total of 96,751 reported for September, 1941, according to William L. Connolly, Director, State Department of Labor.

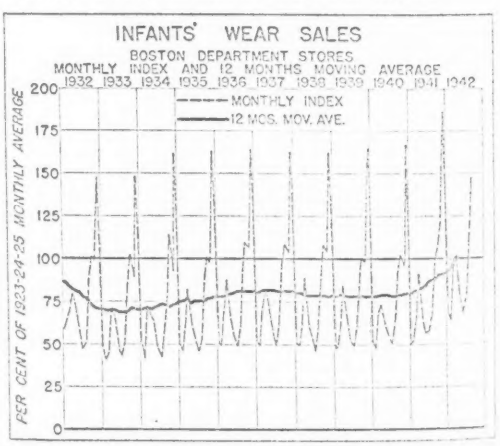
The amount of aggregate weekly payrolls reported for September was $3,190,145, a total 0.1 per cent smaller than the August amount of $3,191,190 but 12.3 per cent higher than the total of $2,840,667 reported for September last year. Average weekly earnings reached an all-time high of $34.45, which was an increase of 0.2 per cent over the average reported for August and 17.3 per cent larger than that of September a year ago:

*EMPLOYMENT BY INDUSTRIES — RHODE ISLAND

INDUSTRY	Number Employed September 1942	Number Employed September 1941	Per Cent Change from September 1941
Jewelry	4,663	6,743	−30.9%
Metal Trades	22,197	20,644	+ 7.5
All Textiles	49,191	[illegible]	− 7.8
Cottons	19,620	[illegible]	− 11.3
Silks	1,826	2,230	− 18.1
Woolens	3,241	3,804	− 14.8
Worsteds	16,323	17,382	− 6.1
Finishing	8,081	7,713	+ 4.8
Rubber Goods	4,780	4,818	− 0.8
Miscellaneous	11,702	11,394	+ 2.7
Total Manufactures	92,593	96,751	− 4.3%

*Based on figures for the week ending September 19, 1942.





SALES CONDITIONS
1941 = 100

	Month of September				January through September			
	1939	1940	1941	1942	1939	1940	1941	1942
Connecticut Department Stores	79	80	100	108	79	83	100	113
Maine Department Stores	83	79	100	116	81	84	100	113
Massachusetts Department Stores	83	79	100	103	85	85	100	109
New Hampshire Department Stores	81	78	100	103	80	81	100	103
Rhode Island Department Stores	81	77	100	112	82	83	100	112
Vermont Department Stores	89	85	100	86	84	88	100	92
Port in Department Stores	82	79	100	100	87	87	100	109
Springfield Department Stores	*	80	100	121	*	83	100	118
New Haven Department Stores	82	83	100	102	82	85	100	110
Portland Department Stores	*	*	100	122	*	*	100	121
Providence Department Stores	81	77	100	112	83	83	100	112
New England Department Stores	82	79	100	105	83	84	100	110

CREDIT CONDITIONS
Percentage of Regular Charge Accounts Outstanding at the First of September Collected during September

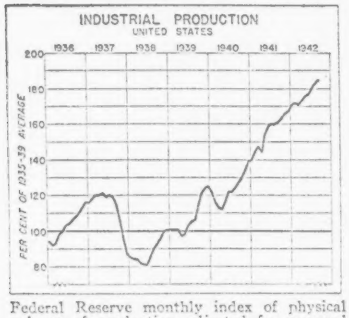
	1939	1940	1941	1942
Boston Department Stores	47.0%	39.6%	45.7%	55.6%
New Haven Department Stores	45.2	45.9	46.8	58.0
Providence Department Stores	42.0	42.3	45.5	56.2
New England Department Stores	45.7	40.3	45.4	56.5

SALES BY DEPARTMENTS — NEW ENGLAND DEPARTMENT STORES
1941 = 100

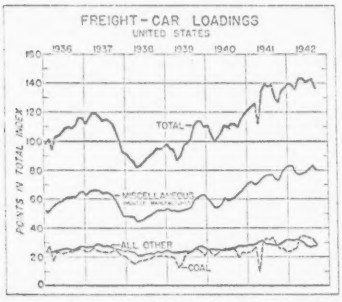
	Month of September				January through September			
	1939	1940	1941	1942	1939	1940	1941	1942
Women's, Misses', and Juniors' Ready-to-Wear:	68	65	100	88	80	82	100	106
Coats — Women's and Misses'	63	52	100	74	86	78	100	110
Dresses — Women's and Misses'	100	87	100	98	101	89	100	106
Juniors' Wear	*	78	100	110	*	83	100	110
Furs, ex. Repairs and Storage	40	38	100	49	54	61	100	74
Aprons and House Dresses	76	84	100	111	80	92	100	108
Waists and Blouses	79	76	100	125	91	87	100	117
Sweaters	74	64	100	129	76	77	100	116
Suits	81	59	100	120	102	71	100	149
Ready-to-Wear not reported above	90	78	100	120	91	84	100	112
Women's, Misses', and Juniors' Accessories:	89	84	100	117	89	89	100	115
Millinery	98	91	100	98	99	93	100	98
Neckwear and Veilings	77	69	100	128	91	84	100	123
Corsets and Brassieres	88	83	100	104	89	89	100	120
Knit Underwear, incl. Glove Silk	87	81	100	135	84	83	100	115
Silk and Muslin Underwear	77	74	100	125	87	87	100	112
Negligees and Bathrobes	92	90	100	150	86	87	100	118
Handkerchiefs	91	85	100	128	96	92	100	117
Women's and Children's Gloves	103	98	100	100	99	95	100	103
Women's and Children's Hosiery	117	109	100	166	88	89	100	124
Women's and Children's Shoes	91	85	100	121	91	91	100	121
Jewelry	69	69	100	107	80	82	100	112
Leather Goods	80	80	100	117	87	87	100	117
Toilet Articles and Drugs	63	63	100	87	81	85	100	112
Umbrellas, Parasols, Canes	200	205	100	313	114	110	100	151
Men's and Boys' Clothing and Furnishings:	79	77	100	110	76	77	100	115
Men's Clothing	81	79	100	84	73	73	100	115
Men's Furnishings, incl. Hats and Caps	74	72	100	114	76	78	100	111
Boys' Wear	82	81	100	138	79	79	100	124
Men's and Boys' Shoes	83	77	100	119	75	74	100	116
Infants' Wear:	85	81	100	146	84	84	100	128
Infants' Department	84	81	100	156	85	86	100	135
Girls' Ready-to-Wear	84	80	100	133	86	83	100	118
Home Furnishings:	79	75	100	91	72	76	100	100
Furniture, Beds, Mattresses, Springs	81	74	100	91	75	76	100	94
Home Furnishings	83	81	100	98	75	78	100	108
Electrical Appliances	83	70	100	50	66	65	100	69
Draperies	*	86	100	95	*	91	100	109
Lamps and Shades	*	*	100	92	*	*	100	104
Floor Coverings	76	71	100	87	65	68	100	104
China and Glassware	69	66	100	81	72	75	100	99
Linens	73	83	100	104	66	83	100	108
Domestics	70	69	100	101	62	75	100	114
Radios	84	72	100	99	81	79	100	131
Piece Goods:	93	80	100	114	98	92	100	123
Silks and Velvets	114	88	100	110	110	105	100	103
Woolen Dress Goods	87	77	100	106	86	78	100	131
Cotton Dress Goods	90	73	100	128	109	100	100	136
Smallwares:	83	82	100	121	88	89	100	122
Laces, Trimmings, Embroideries	72	81	100	118	93	89	100	115
Ribbons	69	85	100	116	72	97	100	106
Notions	85	80	100	123	89	88	100	125
Toys and Sporting Goods	62	55	100	115	73	73	100	115
Miscellaneous:	79	75	100	99	89	89	100	104
Silverware	61	48	100	66	84	72	100	92
Luggage	63	65	100	128	75	69	100	110
Books and Stationery	80	80	100	122	85	87	100	110
Art Goods, incl. Needlework	87	88	100	108	85	86	100	109
All Others	81	77	100	96	92	92	100	104
Basement	88	86	100	111	89	91	100	115
GRAND TOTAL	80	77	100	103	83	84	100	110

*Figures not available.

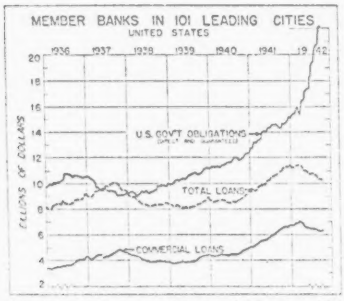
SUMMARY OF BUSINESS CONDITIONS IN THE UNITED STATES



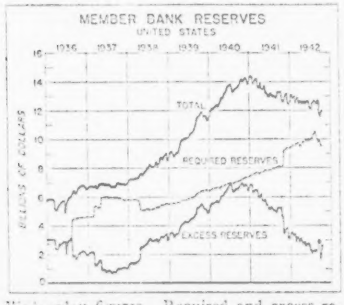
Federal Reserve monthly index of physical volume of production adjusted for seasonal variation, 1935–39 average = 100. Latest figures shown are for September, 1942.



Federal Reserve monthly index of total loadings of revenue freight, adjusted for seasonal variation, 1935–39 average = 100. Subgroups shown are expressed in terms of points in the total index. Latest figures shown are for September, 1942.



Wednesday figures. Commercial loans, which include industrial and agricultural loans, represent prior to May 19, 1937, so-called "Other loans" as then reported. Latest figures shown are for October 14, 1942.



Wednesday figures. Required and excess reserves, but not the total, are partly estimated. Latest figures shown are for October 14, 1942.

Industrial activity expanded further in September and the first half of October. Prices of uncontrolled commodities continued to advance in September. Early in October an Office of Economic Stabilization was established with a view to more effective control of prices and wages affecting the cost of living.

Production:—Industrial production increased more than seasonally in September and the Board's adjusted index rose two points to 185 per cent of the 1935–1939 average. Armament production continued to advance. Steel production was maintained at a high level during September and then increased during October, reaching 101 per cent of rated capacity in the third week of the month. Cotton consumption continued at a high rate and output of manufactured food products rose more than seasonally owing chiefly to increased activity in the meat packing and canning industries. Coal production, which had been maintained in large volume during the summer months, did not show the usual sharp seasonal rise in September and the first half of October. Output of crude petroleum showed little change following a considerable increase in August.

Value of construction contracts awarded in September was about the same as in August, according to reports of the F. W. Dodge Corporation. As in other recent months, awards were mainly for publicly-financed work which, in September, amounted to over 90 per cent of the total.

Contracts for manufacturing buildings reached the highest total yet reported, and increased awards for defense housing raised the total for residential building by about one-fourth despite a decline in privately-financed work. Awards for public works and utilities and for commercial buildings dropped substantially.

Distribution:—Department store sales, which had been unusually large in August, showed somewhat less than the usual sharp seasonal rise during September. In the first half of October sales were sustained near the high level prevailing at the beginning of the month. Variety store sales increased seasonally from August to September, while sales in small towns and rural areas rose by more than the usual seasonal amount.

Railroad freight carloadings increased further in September and the first half of October. The rise was small for this time of year, however, owing mainly to the fact that shipments of many commodities, particularly coal, had been maintained at unusually high levels during the summer months.

Commodity Prices:—Prices of uncontrolled commodities advanced further in September. During the first half of October, after passage of an amendment to the Price Control Act of 1942, more widespread controls were announced. Maximum prices at the highest levels reached around the end of September were established for butter, cheese, eggs, and various other foods. These items constitute nearly one-third of the food budget and now the proportion of the total under control is about 90 per cent. Another action directed residential rents throughout the country to be limited to the levels of March 1, 1942, wherever rent control procedures were not already in effect.

Agriculture:—The October 1 official crop report confirmed earlier prospects that unusually heavy crop yields were in sight. The Department of Agriculture pointed out, however, that, as the harvest progresses under difficulties, particularly as to labor supply, farmers are showing less assurance that it can be completed in season. Record crops of grain, hay, oilseeds, sugar, vegetables, and probably fruits are still likely.

Bank Credit:—Following a temporary peak of 3 billion dollars in mid-September, excess reserves of member banks declined to 1.7 billion dollars in the latter half of September but increased considerably in the first three weeks of October. This increase resulted in part from the action of the Board of Governors of the Federal Reserve System in reducing reserve requirements on demand deposits at central reserve city banks from 22 to 20 per cent, which added about 400 million dollars to excess reserves. In addition member bank reserves were increased through purchases of Government securities by the Federal Reserve Banks. As a result of these developments excess reserves of all member banks on October 21 amounted to 2.4 billion dollars, of which about 500 million dollars were in New York City.

At reporting banks in leading cities heavy purchases of new Treasury certificates of indebtedness and Treasury notes were reflected in an increase of 1.6 billion dollars in Government security holdings during the four weeks ending October 14. Further large increases occurred in the following week as banks received their allotments of the new 1½ per cent notes and 2 per cent bonds. Commercial loans, after declining in August and September, increased in the first two weeks of October, mainly in New York City, while other loans declined further.

United States Government Security Prices:—Prices of United States Government securities continued steady last month. Long-term taxable bonds are yielding 2.33 per cent on the average and long-term partially tax-exempt bonds are yielding 2.05 per cent.